

IRS News Release

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IRS Issues Guidance on 2009 Required Minimum Distribution Waiver

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WASHINGTON —The Internal Revenue Service today provided guidance for retirement plan administrators, plan participants and retirees regarding recent legislation affecting required minimum distributions. The Worker, Retiree, and Employer Recovery Act of 2008 waives required minimum distributions for 2009 from certain retirement plans.

Generally, a required minimum distribution is the smallest annual amount that must be withdrawn from an IRA or an employer's plan beginning with the year the account owner reaches age 70½. The 2008 law waives required minimum distributions for 2009 for IRAs and defined contribution plans (such as 401(k)s) and allows certain amounts distributed as 2009 required minimum distributions to be rolled over into an IRA or another retirement plan.

Notice 2009-82 provides relief for people who have already received a 2009 required minimum distribution this year. Individuals generally have until the later of Nov. 30, 2009, or 60 days after the date the distribution was received, to roll over the distribution. The IRS Web site at <http://www.irs.gov/ep> provides additional information on rollovers of 2009 required minimum distributions.

The notice also provides guidance for retirement plan sponsors. It contains two sample plan amendments that plan sponsors may adopt or use to amend their plans to either stop or continue 2009 required minimum distributions. Both sample amendments provide that participants and beneficiaries can choose to receive or not to receive 2009 required minimum distributions. Also, both sample amendments allow the employer to offer direct rollover options of certain 2009 required minimum distributions.

Plan sponsors may need to tailor the sample amendment to their plan's particular terms and administration procedures and must adopt the amendment no later than the last day of the first plan year beginning on or after Jan. 1, 2011 (Jan. 1, 2012 for governmental plans).